

KONE Plc

2017 GENDER PAY GAP

FOREWORD

The KONE story began in 1910 in Finland, when a machine repair shop in Helsinki became known as KONE which is actually Finnish for “Machine”. Stable ownership by four generations of the Herlin family has created a strong and supportive environment for development, allowing KONE to continue to respond to the people flow challenges of an increasingly urban future. More than a century later KONE enables the smooth flow of millions of people in urban centres across the globe. Over the years KONE has proven its ability to adapt to the challenges of a changing world and is now a global leader in the lift and escalator industry.

Our People strategy at KONE aims to ensure the engagement, motivation, and continuous development of our employees. We want KONE to be a great place to work – this is one of our strategic targets. For us, creating a great place to work means treating every employee fairly and providing a safe working environment. High ethical principles guide all of our activities. We actively encourage diversity, although we recognize that traditionally our business and industry has not attracted female staff to the extent that we would want and currently the majority of our employees are male, with men representing the majority (85%) of our workforce within Great Britain.

People are at the heart of our business, and it is important to me and my leadership team that we have an organisation that encourages diversity in all areas, and a culture that supports the contributions of both men and women equally to our business. During periods of both internal and external change we remain committed to this value.



OUR PEOPLE

At KONE, 64% of our workforce are engaged in field engineering or field supervisory roles, where the balance of the workforce is 98% male. This means our gender balance is uneven, which is reflected in our gender pay data. When we consider our office environments we see a more even distribution of male and female employees (63:37). In our senior management team roles 90% are filled by men.

Our gender pay gap is therefore primarily due to the lower number of females working in our business and in management positions, which is also indicative of our industry. While it will take significant time and a collective responsibility to address this, we are committed to playing a positive role in ensuring that careers in our industry are attractive and rewarding for talented people regardless of gender.

DECLARATION

At KONE we believe that it is important to be transparent when reporting on our data. The following report gives an overview of our data as of 5 April 2017.

I confirm that KONE PLC's gender pay gap data has been calculated in accordance with the requirements of The Equality Act (Gender Pay Gap Information) Regulations 2017.

Tim Joyce, Managing Director, KONE Plc

KONE Plc

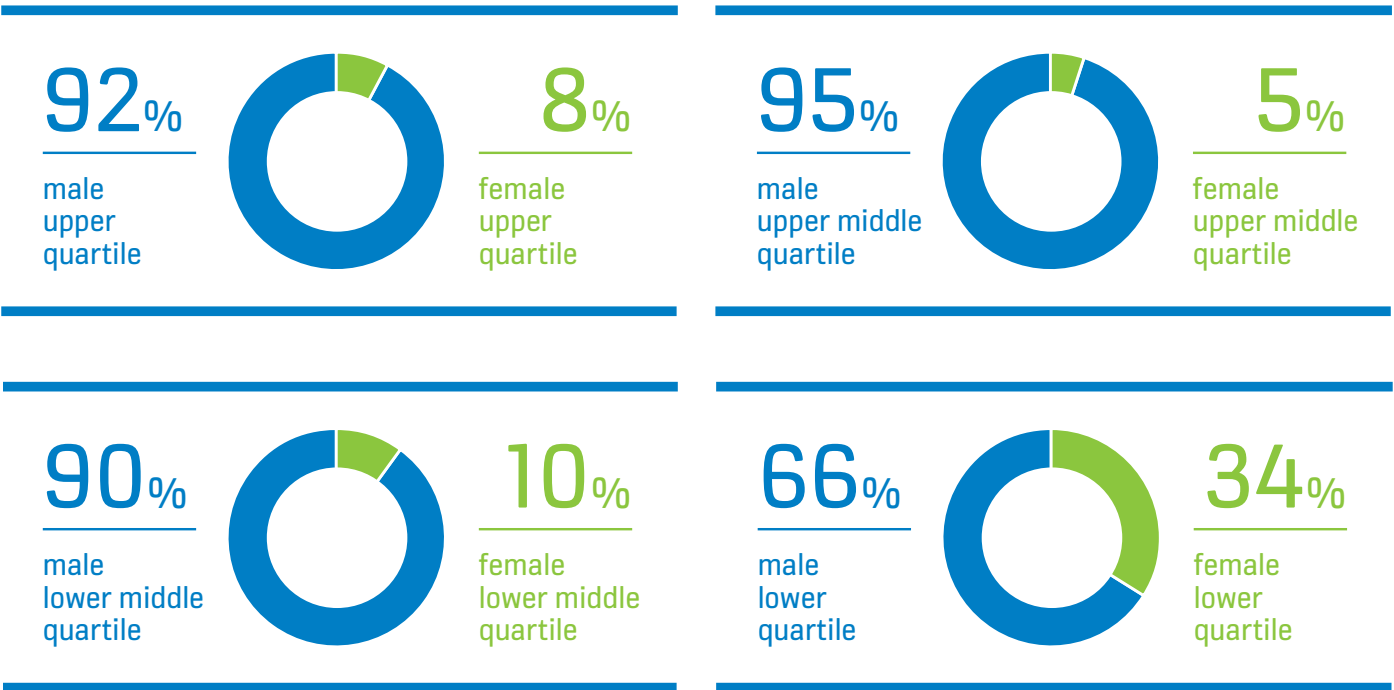
2017 GENDER PAY GAP

The following infographics show KONE's gender pay gap data, as at 5 April 2017.

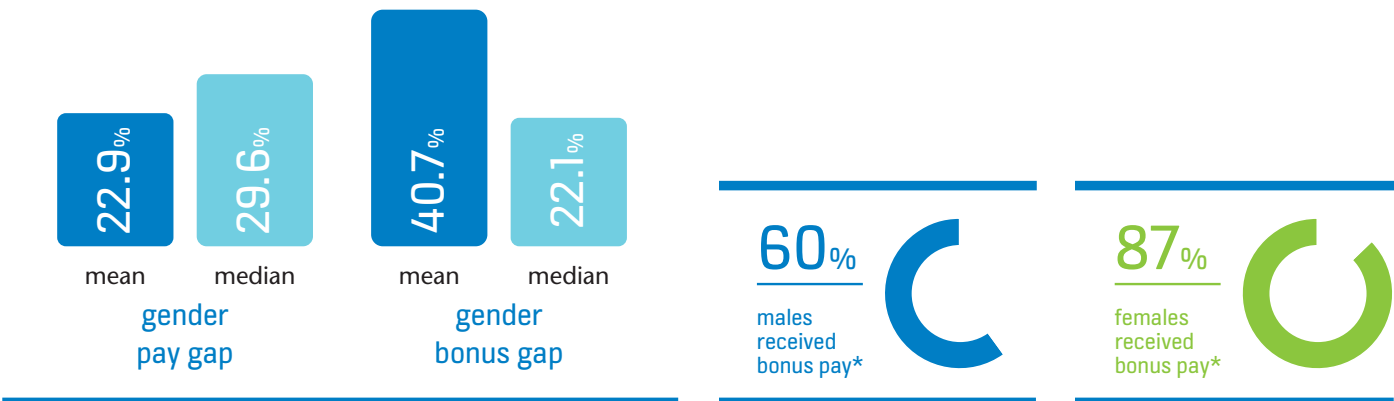
KONE's mean gender pay gap of 22.9% is above the national average of 18%. Like many other companies across our and similar industries, this is primarily due to the high number of males within the business, including at a senior level.

QUARTILES

This shows the proportion of men and women employees distributed across four equally sized quartiles. For example, the highest 25% of earners in KONE consist of 92% male and 8% female.



GENDER PAY GAPS



*12 months to 5 April 2017

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2017 GENDER PAY GAP

OUR ACTION PLAN

The actions we will be taking to improve diversity in our business and address the current gender pay gap fall into the following areas:

1. Recruitment

- We will ensure our talent attraction methods enable access to diverse talent pools and our advertising is gender neutral. We see our apprenticeship programme as a key avenue for bringing female talent into our company and industry and will benchmark our recruitment practices against best practice in the broader engineering and construction sectors.
- We will monitor the gender diversity of both applications and selection decisions for all roles. We will require that shortlists for all senior management roles have a minimum of one qualified female candidate.

2. Developing Our Staff

- We will provide mentors for women building their careers in KONE.

3. Inclusive Leadership

- We will run focus groups with women in our company to help us identify actions to better attract, develop and retain female employees.
- We will annually review and update a diversity and inclusion plan that tracks our progress in ensuring our diversity reflects the customers we serve and the communities we work in.

WHAT IS A GENDER PAY GAP?

A gender pay gap is different from equal pay.

In summary, a gender pay gap measures the difference in the average pay between men and women across an organisation and over a period of time, no matter what their role is.

A gender pay gap is therefore directly influenced by the proportion of men versus women and the roles that they hold within that organisation.

Equal pay deals with any pay differences between men and women who carry out the same or similar jobs.

GREAT PLACE TO WORK

At KONE we aim to inspire, engage and develop our employees to deliver great results.

We are proud that in 2017, KONE was recognised as one of the best employers in the world by Forbes. This shows that our continued commitment to our employees' wellbeing and professional development is appreciated by both current and potential employees.

We actively encourage diversity and our values guide us in nurturing an inclusive culture. We continue to focus on this with a global goal of no gender making up less than 20% of management team members.

We are committed to continuing to make KONE a great place to work.